Fearnleys Weekly Report

Week 35 - August 31, 2022

Printer version

Tankers

Comments

VLCC

It may have been a summer of discontent for most other things, but not for tankers. There is currently a bit of a downward pressure in the VLCC market, and a couple of points were chopped off from last done yesterday, but if anyone had predicted that MEG/East would be trading in the mid-high WS 70's only a few months ago few would have believed it - May closed out with rates trading in the very low WS 40's. We could probably still see a point or two off still, as things become more of a date- than a rate game, but we do not believe that the bottom will fall out, by any means - sentiment is just too strong.

Suezmax

All load zones have taken a breather this week with a softer feel pervading the market today. Nothing to report MEG/East but with that run barely traded in recent times, any enquiry is likely going to test it down to the WS 120's. Td23 has a couple of cargoes kicking about with that run likely to trade in and around WS 60. The USG/TA market, which has hitherto provided most of the momentum in the Atlantic stalled at the end of last week and has just traded down to WS 112.5, albeit on a relet. Td20 has managed to maintain rates at about WS 127.5 but for how much longer. Looks like it has a soft underbelly and may test low/mid WS 120's unless we see more cargoes today/tomorrow. Td6 finished off last week on a high of WS 200, helped by tight tonnage availability in the Med but the list has now marginally opened up again.

Aframax

As expected, activity for Aframaxes trading in the North Sea picked up end of last week. However, as this week has started on a quiet note again, charterers are looking to squeeze down rates a bit from last done levels. Going forward, we expect rates to be tested, and the market is best described as steady/soft in the current fixing window. It's been a rather quiet start to the week in the Med/Blsea area after seeing some positive signs end of last week. Lack of activity is leaving a soft undertone hovering in the area as charterers gone under the radar - we expect this region to remain stable/soft for the balance of the week awaiting activity to recover.

Rates

Dirty (Spot WS 2021)

MEG/WEST (280 000)	WS 45.0	-1.0 ↓
MEG/Japan (280 000)	WS 77.5	-2.5 ↓
MEG/Singapore (280 000)	WS 79.0	-2.0 ↓
WAF/FEAST (260 000)	WS 77.5	-2.5 ↓
WAF/USAC (130 000)	WS 127.5	-2.5 ↓
Sidi Kerir/W Med (135 000)	WS 142.5	-7.5 ↓
N. Afr/Euromed (80 000)	WS 192.5	7.5 ↑
UK/Cont (80 000)	WS 190.0	0.0 →
Caribs/USG (70 000)	WS 240.0	-75.0 ↓

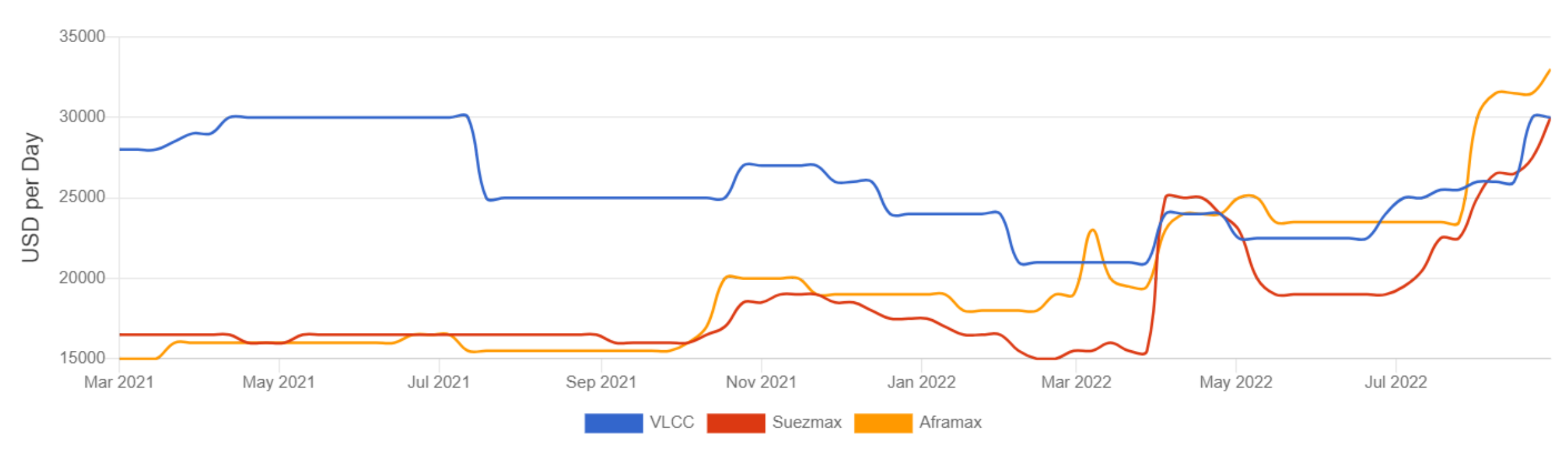
1 Year T/C (USD/Day)

VLCC (Modern)	$30000.0	$0 →
Suezmax (Modern)	$30000.0	$2,500 ↑
Aframax (Modern)	$33000.0	$1,500 ↑

VLCC

VLCCs fixed in all areas last week	48	-27 ↓
VLCCs available in MEG next 30 days	151	7 ↑

1 Year T/C Crude



Dry Bulk

Comments

Capesize

The average 5tc Capesize rates have dropped fifty percent from last week, to even worse and disappointingly low levels. The opportunities are few and returns are poor for ship owners and many ships are presently idle, waiting for better times. C3 is down from 19 to sub USD 18, which at best gives a 0 return coming from China. Period interest remains, but there are less deals to be made, considering rates are so low.

Panamax

Little sign so far of any signs of recovery in the market, particularly in the Atlantic with little fresh demand of note and extremely low APS levels being agreed for some transatlantic runs. Asia saw modest rest bite for some of the higher spec units on the longer rounds but elsewhere the recent decline showed little signs of abating.

Some representative fixtures this week:

Castellani (82,050 2014) (scrubber) aps ECSA beg Sep tct redel Spore-Japan $16,000+$600,000 cnr.

Super Luna (81,458 2016) aps ECSA 10 Sep tct redel Spore-Japan $15,000+$500,000 – Cofco.

Yasa Neslihan (82,849 2005) aps ECSA 21/25 Sep rmrd fxd tct via AG redel PMO $14,750+$475,000 - Al Ghurair.

Pampero (93,275 2011) Pohang 4/5 Sep tct via WC Aussie redel Spore - Japan $10,000 – cnr.

Swift Suzhou (81,458 2015) Zhanjiang 1 Sep tct via Tanjung Bara redel Hong Kong $12,000 – Norden.

Supramax

Atlantic market suffering from negative sentiment, rates falling rapidly daily.
Continued under pressure as spot and prompt tonnage building up. Supramax open Germany was rumored to be fixed TCT to USG at USD 20,000 pd.
Mediterranean market shows a slight resistant in light of Ukrainian grain export. Owners asking above USD 20,000 pd for TCT to West Africa while charterers bidding for same business below USD 20,000 pd. Tonnage list for vessels open in East Med and West Med getting longer, thus we expect that market to fall as well.
MV Nikitis, 57,000 dwt, dely West Africa end Aug fixed with minerals to Cont at USD 22,000 pd.
ECSA and USG has good activity level however rates keep sliding south. FH from USG paying USD 22,000 pd and TA trips USD 18,000 pd.
Pacific market is overall negative and “last done” rates are not available anymore. Bearish view suggests that rates will go further down.

Rates

Capesize (USD/Day, USD/Tonne)

TCE Cont/Far East (180 DWT)	$16,469	-$5,406 ↓
Australia – China	$7.8	-$0.2 ↓
Pacific RV	$4,842	-$2,013 ↓

Panamax (USD/Day, USD/Tonne)

Transatlantic RV	$8,575	-$2,875 ↓
TCE Cont/Far East	$16,791	-$4,645 ↓
TCE Far East/Cont	$8,771	-$978 ↓
TCE Far East RV	$12,123	-$1,246 ↓

Supramax (USD/Day)

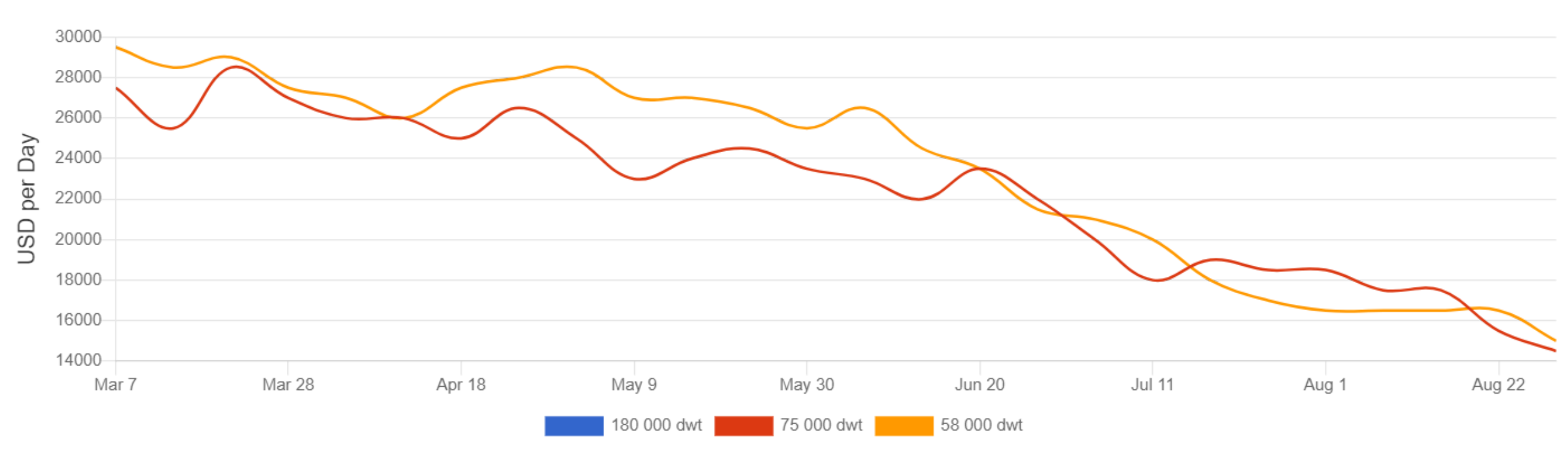
Atlantic RV	$17,189	-$885 ↓
Pacific RV	$17,250	-$1,700 ↓
TCE Cont/Far East	$19,904	-$213 ↓

1 Year T/C (USD/Day)

Newcastlemax (208 000 dwt)	$16,500	$0 →
Capesize (180 000 dwt)	$13,000	-$250 ↓
Kamsarmax (82 000 dwt)	$16,000	$0 →
Panamax (75 000 dwt)	$14,500	$0 →
Ultramax (64 000 dwt)	$17,500	-$500 ↓
Supramax (58 000 dwt)	$14,500	-$500 ↓

Baltic Dry Index (BDI)	$965

1 Year T/C Dry Bulk



Gas

Chartering

EAST
The Eastern freight market have been very much active this week with several vessels put on subs, in the absence of the Indians, with last done around USD mid/low 60s Baltic. In total we have seen 27 spot fixtures so far in September (more than in the US) and there are definitely more to come as we see more uncovered cargoes out there waiting for a fitting vessel. There are still about 10 ships that theoretically can make 20-30 Sep MEG window, although some may head West.

WEST
A bank holiday in London on Monday did not stop players from making a move in the Western market with three fixtures concluded in the USG - two of which from a big shipowner. The same tempo has continued further into the week, and we have seen a handful of fixtures so far with last done at around USD mid/high 100s H/C and high 50s H/F. The market is currently in the hands of few players as we yesterday saw the last remaining ships open in September get absorbed and we can now count 25 spot fixtures for the month, 3 more than August. Focus has now completely shifted towards early October dates and fixing is already well underway as charterers seem keen to secure a ship before it gets tighter.

LPG Rates

Spot Market (USD/Month)

VLGC (84 000 cbm)	$1,050,000	$50,000 ↑
LGC (60 000 cbm)	$850,000	$0 →
MGC (38 000 cbm)	$900,000	$0 →
HDY SR (20-22 000 cbm)	$700,000	$0 →
HDY ETH (17-22 000 cbm)	$780,000	$0 →
ETH (8-12 000 cbm)	$480,000	$0 →
SR (6 500 cbm)	$440,000	$0 →
COASTER Asia	$270,000	$0 →
COASTER Europe	$320,000	-$10,000 ↓

LPG/FOB Prices - Propane (USD/Tonne)

FOB North Sea/ANSI	$636	$0 →
Saudi Arabia/CP	$670	$0 →
MT Belvieu (US Gulf)	$578	-$6 ↓
Sonatrach/Bethioua	$660	$0 →

LPG/FOB Prices - Butane (USD/Tonne)

FOB North Sea/ANSI	$608	$0 →
Saudi Arabia/CP	$660	$0 →
MT Belvieu (US Gulf)	$477	-$13 ↓
Sonatrach/Bethioua	$645	$0 →

LNG Rates

Spot Market (USD/Day)

East of Suez 155-165 000 cbm	$70,000	$3,000 ↑
West of Suez 155-165 000 cbm	$85,000	$5,000 ↑
1 Year T/C 155-160 000 cbm	$140,000	$5,000 ↑

Newbuilding

Activity Levels

Tankers	Slow	Slow
Dry Bulkers	Slow	Slow
Others	Moderate	Moderate

Prices

VLCC	$121.0	$1.0 ↑
Suezmax	$81.0	$0.0 →
Aframax	$63.5	$0.0 →
Product	$43.5	$0.5 ↑
Newcastlemax	$66.0	$0.0 →
Kamsarmax	$37.5	$0.0 →
Ultramax	$35.5	$0.0 →
LNGC (MEGI) (cbm)	$240.0	$12.0 ↑

Sale & Purchase

Prices

Dry (5 yr)

Capesize	$53.0	$0.0 →
Kamsarmax	$37.0	$0.0 →
Ultramax	$34.0	$0.0 →

Dry (10 yr)

Capesize	$37.0	$0.0 →
Kamsarmax	$27.0	$0.0 →
Ultramax	$27.0	$0.0 →

Wet (5 yr)

VLCC	$85.0	$0.0 →
Suezmax	$58.0	$0.0 →
Aframax / LR2	$53.0	$0.0 →
MR	$37.0	$0.0 →

Wet (10 yr)

VLCC	$60.0	$0.0 →
Suezmax	$43.0	$0.0 →
Aframax / LR2	$39.0	$0.0 →
MR	$28.0	$0.0 →

Market Brief

Exchange Rates

USD/JPY	118.50	2.53 ↑
USD/KRW	1235.50	7.25 ↑
USD/NOK	9.24	-0.01 ↓
EUR/USD	1.10	0.00 ↓

Interest Rates

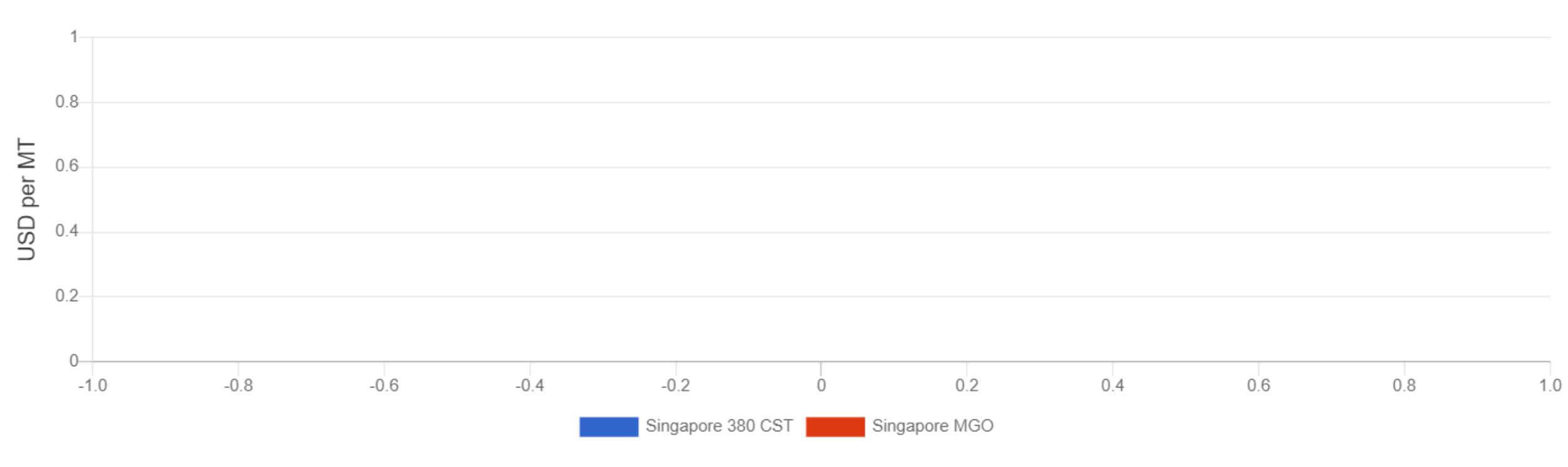
LIBOR USD (6 months)	3.60%	0.07% ↑
NIBOR NOK (6 months)	1.85%	0.00% →

Commodity Prices

Brent Spot	$99.50	-$1.50 ↓

Bunkers Prices

Singapore 380 CST	$509.5	-$8.0 ↓
Singapore Gasoil	$1,134.5	$33.5 ↑
Rotterdam 380 CST	$522.5	$7.0 ↑
Rotterdam Gasoil	$1,177.0	$53.0 ↑



All rates published in this report do not necessarily reflect actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. In some circumstances, rates for certain vessel types are based on theoretical assumptions of premium or discount for particular vessel versus other vessel types.

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